



Montgomery County Council

For Immediate Release

October 28, 2003

Contact: Patrick Lacefield 240-777-7939 or Jean Arthur 240-777-7934

N
E
W
S

R
E
L
E
A
S
E

Council approves highest impact taxes on developers in Maryland...

COUNCIL TIGHTENS GROWTH CONTROLS, HIKES TAXES ON DEVELOPERS TO ATTACK CONGESTION ON COUNTY ROADS & IN COUNTY SCHOOLS

The Montgomery County Council today approved revisions in the County's Annual Growth Policy that will tighten restrictions on future growth and at the same time approved impact taxes on developers that will yield an additional \$44 million annually in funds earmarked to address traffic congestion and increase school construction efforts.

The Annual Growth Policy determines how growth and development in the County will be staged to insure that there is adequate public infrastructure.

"Today's action puts the Council four-square in support of increasing needed investments in traffic congestion relief and school construction by making developers pay their fair share," said Council President Michael Subin. "We are tightening our school tests and critical intersection tests. We are preserving the ability of this County to generate jobs, economic opportunities, and housing for Montgomery's working families."

"This 'common-sense' strategy makes sure that our infrastructure keeps pace with managed growth that's in the public interest," said Council Vice President Steve Silverman, who chairs the Planning, Housing and Economic Development Committee. "We are stepping up to the plate with \$44 million in impact tax monies. That means more affordable housing, more school construction, and more job opportunities."

"Montgomery County is second to none among local jurisdictions in planning for growth and development over many decades," said Councilmember Nancy Floreen. "But whatever our record of achievement in the past, we confront

paralyzing traffic congestion and an exploding school population – both in great need of additional capital investment. These new impact taxes mean more school classrooms and less gridlock on our roads. That's what we were elected to do something about – and we're doing it."

Among the highlights of the measures approved today are:

- Adoption of the highest impact taxes to be paid by developers in the state of Maryland. The Development Impact Tax to benefit school facilities will yield \$25 million in FY 05 and the increase in the Transportation Impact Tax to relieve traffic congestion will bring in \$19 million in FY 05.
- For the schools impact tax, the Council approved a special surcharge on large houses. For single-family homes, the tax would be \$8000 up to 4500 square feet, an additional \$1 for every square foot up to 8500, and a flat \$12,000 on houses over 8500 square feet. For townhouses, the tax would be \$6000 up to 4500 square feet, \$1 per square foot up to 8500 square feet, and a flat \$10,000 for townhouses with more than 8500 square feet.
- Significant tightening of the "Schools Capacity Test" which provides that residential development cannot occur in particular clusters when school capacity reaches 105 percent for elementary and middle schools and 100 percent for high schools. "Borrowing" capacity from elementary and middle schools from one cluster to another, previously used to calculate growth strictures, would be discontinued. A cluster would be in a "hard" housing moratorium when projected enrollment at any school level exceeded 110 percent of AGP capacity.
- Significant tightening of the "Local Area Transportation Review" which tests how well traffic flows through intersections and how it would flow in the case of future development. The Council is lowering the current standard of number of vehicles per hour must be able to pass through the critical lanes of the intersection by 50 CLVs in all but Metro Station Policy Areas. The Council also tightened the test by assuming only transportation improvements to be built within the next four years, rather than the current standard of five years.
- The Council broadened the scope of the intersections test by requiring examination of more intersections for large developments and required many smaller developments, now exempt from the transportation test, to mitigate their traffic or pay an impact tax surcharge. The Council also allowed the Planning Board to require developers to continue trip reduction programs beyond the current 12-year limit to as long as 15 years.

###